REPORT

ON THE

WORKING OF CO-OPERATIVE CREDIT SOCIETIES

IN THE

PUNJAB

For the year ending 30*th June*, 1908.

Published by Authority.

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1908.

REPORT ON THE WORKING OF CO-OPERATIVE CREDIT SOCIETIES IN THE PUNJAB FOR THE YEAR ENDING 30TH JUNE 1908.

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Proceedings of His Honour the Lieutenant-Governor of the Punjab in the Department of Revenue and Agriculture (Agriculture) No. 185, dated 20th November 1908.

READ—

Letter No. 605, dated the 15th October 1908, from the Junior Secretary to the Financial Commissioner, Punjab, submitting, with the Financial Commissioner's remarks, the report on the working of Co-operative Credit Societies in the Punjab for the year ending 30th June 1908.

1. The report has reached Government 19 days late. Its main points have been adequately discussed in the note of the Financial Commissioner with whose views the Lieutenant-Governor is in general agreement, and it is therefore unnecessary to add much by way of review.

2. In Sir Denzil Ibbetson's remarks on last year's report it was observed that firmer ground had been reached on the path of progress, and this year's report confirms the view then taken. The infant societies have passed through a severe trial owing to three unsatisfactory harvests in succession, but the Registrar is able to report that not one has succumbed to the effects of the recent scarcity. That they have not generally been able to meet the requirements of their members in full was inevitable at such an early stage in their existence. Most of them were little over a year old when the trial came and sufficient capital had not accumulated to finance their members in ordinary years. It is therefore a matter for congratulation that any progress can be reported.

3. The progress recorded, however, is of a substantial character. Rural societies have increased in number from 174 to 253, their total assets have risen from roughly $2\frac{3}{4}$ to over $5\frac{1}{4}$ lakhs and the surplus at the end of the year (Rs. 53,864) is twice as large as in July 1907. That societies have not failed entirely to meet the exceptional demands made upon them is proved by the fact that the amount of capital out on loan to members is twice as great as last year, and over $3\frac{3}{4}$ lakhs were lent in the twelve months. As the normal rate of interest taken by societies is less than 10 per cent., while that demanded by private money lenders in a year of scarcity is anything above 25 per cent., the great benefits that have already accrued from the movement are obvious.

4. While the Lieutenant-Governor has every reason to be satisfied with the progress made, there are still some points which require criticism. The most unsatisfactory feature in the history of the movement so far has been the large number of societies that have died at birth or been wound up after a brief and inglorious existence. In most cases misguided official zeal has been the cause of the fiasco. In the review of the first report and again last year the need of caution in founding societies under official influence and the danger of failure were emphasised, but the history of the movement in the Gujrat and Sialkot districts during the past year would seem to show that the lesson has not yet been fully learned. It lies in the discretion of the Registrar to register or not, as he thinks fit, and it would appear that registration should have been refused in the case of most of these weakling societies.

5. The Lieutenant-Governor is in accord with the views of the Financial Commissioner as to the building up of a true reserve and the desirability of eliminating from the bye-laws of societies the power which members generally enjoy at present of withdrawing their contribution to the share capital after a period of ten years. At the same time he recognizes that in the initial stages of the movement working capital is necessarily very limited and the withdrawal of some of it for investment in the post office as a reserve would limit it still more, and also that attractions must be offered to the ignorance and timidity of people who have never heard of stocks and shares, and he is therefore not anxious to press the Registrar who is alive to the ultimate desirability of the improvements indicated.

6. There can be no question as to the advantage of enlisting the sympathies of the village money-lender. That he should show a certain amount of hostility to the movement is inevitable, though the Registrar perhaps takes

an exaggerated view of its intensity. But the sahukar is an excellent business-man and knows that the courts cannot recover for him any thing like the amount found to be his due, and if he is convinced that financing a Co-operative Bank at a moderate rate of interest is an absolutely safe investment he will probably be willing to seek through its agency a suitable means of employing his capital. That the hostility of small money-lenders will cease entirely is not to be hoped for, but much can be done to mitigate it to the great advantage of both parties.

7. The history of the past year when societies were unable to meet the full requirements of their members has shown the need of some form of outside assistance. The form suggested in the report—a Central Bank in the Lyallpur district—would in many ways be peculiarly suitable, as the members of the Central Bank would be persons having close family connections over a large part of the province. The proposal should be proceeded with, and the Lieutenant-Governor will be prepared to consider the question of lending official aid for its inception when the matter is specially referred. The distribution of takavi through the agency of village banks is another method of relieving the strain on their resources in times of scarcity. It may not be suitable in all circumstances, but it has much to commend it, and His Honour would be glad to learn the views of the Financial Commissioner on the suggestion.

8. In all districts it is clear that the prospects of a bank depend chiefly on the character of the men available as managers, and in their judicious selection lies the secret of success. It is to be hoped that when the pioneers pass away, the popularity of co-operation will be so well established that successors will be ready to continue the work.

9. With regard to the rate of interest His Honour concurs with the Financial Commissioner that societies should be advised for the present to charge 12½ per cent. He also approves of the proposed additions in statement No. IV recommended in 2nd paragraph of Mr. Wilson's note. A copy of the Registrar's remarks on the custody of funds will be forwarded to the Postmaster-General for consideration.

10. As to the extension of the movement in new areas, the remarks made in paragraph XI of the report—though mainly intended to justify an increase of the Registrar's staff—are commended to the attention of all District and Settlement Officers. The consolidation and nursing of societies in the central districts, where the existing banks are, must be the Registrar's first duty and the opening up of new areas must be the work of District and Settlement Officers. The Registrar's staff was increased in the past year, and the question of a further increase should be referred separately.

11. Sir Louis Dane desires to record his appreciation of the help rendered by the gentlemen, official and non-official, mentioned in the 10th paragraph of the report and by the press. His thanks are due to Mr. Wilberforce and his assistants under whose sympathetic guidance co-operative credit is becoming a reality in the province.

ORDER.—Ordered that a copy of the foregoing remarks be published in the *Punjab Gazette* and communicated to the Financial Commissioner, Punjab. Also that a copy, together with a copy of the report and the Financial Commissioner's note thereon, be forwarded to the Government of India, Department of Revenue and Agriculture, and to all Local Governments and Administrations for information.

By order of His Honour the Lieutenant-Governor,

W. S. HAMILTON,

Offg. Secretary to Government, Punjab.

Punjab Government Press, Lahore—30-11-08—5218—340—H. L. S.

No. 605.

FINANCIAL COMMISSIONER'S OFFICE:
Dated LAHORE, *the* 15*th October* 1908.

FROM

H. M. COWAN, ESQUIRE,
Offg. Junior Secretary to the Financial Commissioner, Punjab.

To

THE HON'BLE MR. E. D. MACLAGAN,
Chief Secretary to Government, Punjab.

SIR,

I AM directed to submit, along with a note recorded by the Financial Commissioner, a letter No. 210, dated 5th September 1908, from Mr. Wilberforce, forwarding the report on the working of Co-operative Credit Societies in the Punjab for the year ending June 30th, 1908.

I have, etc.,

H. M. COWAN,
Offg. Junior Secretary to the Financial Commissioner, Punjab.

Note by the Financial Commissioner of the Punjab on the Annual Report on Co-operative Credit Societies for the year ending 30th June 1908.

1. The Report, which was due in this office on the 1st September, was not received till the 28th. The reasons for the delay are stated in paragraph VI. The devotion of the rural presidents which has enabled 253 Societies to submit intelligible accounts at a cost of only Rs. 1,400 is worthy of all praise. The Registrar has given reasons why he has been unable to submit a profit and loss statement. In other respects an effort has been made to adhere to the form of the statements prescribed in the orders of the Government of India. Mr. Wilberforce should consult the other Registrars and endeavour to compile a statement showing at least approximately the annual profit or loss on the transactions of Societies, as without this their progress cannot be fully judged.

2. It was noted last year that the number of enrolled rural Societies was 328, of which 174 were actively working. Of these 328, 177 have since ceased to exist and 147 active Societies are left whose accounts are embodied in the statements attached to the Report besides 4 similar Societies whose accounts could not be obtained. With the addition of 106 new Societies, the total number of enrolled Societies at the close of the year under report was 257.

It is not altogether satisfactory that so many infant Societies should have perished so soon after their birth. It is no doubt necessary to make certain that a Society is founded on right lines, and better to put an end at once to a badly organised Society than to let it run on until it involves its members in disaster; but it looks as if the Registrar had been somewhat too sweeping in his condemnation and as if a little more patience might have led to the establishment on a proper basis of more Societies in villages in which some of the people had at least shown a desire to make the attempt. It is matter for congratulation that the winding up of these abortive Societies is not likely to involve the members in any loss. Taking the figures for the remaining Societies as they stand, it appears that there are now 253 rural Societies in working order compared with 174 a year ago. The number of members has increased from 17,254 to 21,568, and the assets from Rs. 2,84,126 to Rs. 5,29,617. All districts show an excess of assets over liabilities, which now amounts to Rs. 53,864 against Rs. 26,358 last year. This general progress is very satisfactory, especially when allowance is made for the exceptionally bad harvests of the year. It is not to be expected that poor borrowers will be able to repay loans with absolute punctuality in bad years, and it is not surprising that in present circumstances there should be a considerable amount in arrear. But it is most important to the stability and success of a Society that its members should repay advances made them with reasonable punctuality; and the Registrar should see that, when good harvests return, outstanding debts are promptly cleared off. At present I understand such items are included in the assets, which is no doubt right, so long as they are likely to be repaid in time; but an overdue claim is not quite such a good asset as one the term of which has not yet expired, and the matter is so important that I suggest that under columns 4 and 5 of Statement No. IV, *viz.*, "Loans due by members" and "Interest due on column 4" sub-columns should be added with the following heading—"of which over due."

3. It will be noticed that the accounts of the rural Societies show nothing under the head "Reserve Fund" and nothing "Carried to Reserve". Section 8 of the Act requires that all profits made by a rural Society shall be carried to a reserve fund, and the importance of building up a reserve does not seem to have been impressed sufficiently on the Punjab Societies. The question has been discussed by the Conference of Registrars, but no very definite conclusion has been arrived at. I am myself of opinion that this provision should be strictly enforced in the early days of a Society, and that the reserve fund should be placed in deposit in a savings bank or kept apart in some other way to be approved by the Registrar, so that the Society cannot spend it without his permission. This would to a

certain extent diminish the working capital of the Society, but it would greatly improve its credit and aid it to tide over bad times. In future statements the Registrar should show clearly what amount has been carried to reserve, and in what form it is held.

4. The kind of Society at present most in favour in the Punjab is one in which the members subscribe for shares on the condition that after ten years they may withdraw their original share-money and still retain a claim to share in the profits. I am myself doubtful whether this plan will prove advantageous in the long-run. It seems as if it must lead to great complication of accounts and consequent trouble, and to the general withdrawal of the share capital on the expiry of the ten years, which would leave the Society with very little working capital to carry on with. I think the Registrar should strongly recommend Societies to eliminate the condition allowing members to claim repayment of their shares, and substitute a condition allowing them to sell their shares to fellow-members, with a limit to the number of shares any one member may possess. The model bye-laws on page 22 of Mr. Wilberforce's pamphlet provide for such a system.

5. The statement of liabilities (No. IV) shows that of the total sum of Rs. 4,75,753 no less than Rs. 3,76,326 are due to members, Rs.93,350 to Government and only Rs. 6,077 to non-members, of which Rs. 5,000 have been advanced by Sir D. M. Hamilton. It is satisfactory that the members themselves should have been able to provide such a large sum of working capital, and no doubt there is an immense amount of accumulated savings in the hands of many Punjab peasant land-owners, which could be profitably employed in financing the needs of their poorer neighbours through these Societies. But it is to be hoped that in time their position will be such as to command the confidence of outsiders and induce them to make loans on business terms. From this point of view also it is desirable that a tangible reserve fund should be gradually built up and held apart under the Registrar's control. It is satisfactory to learn that ordinary banks are beginning to show a readiness to advance loans to Societies; but the Registrar should now devote his energies to starting a Central Bank at Lyallpur or elsewhere to finance small Societies, and submit a scheme for approval. No doubt Government would be willing to lend the services of a Tahsildar or Naib-Tahsildar, if necessary, to aid in establishing such a bank on a proper footing.

6. I think the Registrar somewhat exaggerates the hostility of the professional village-bankers to the co-operative movement. Some of them, no doubt, think that the Societies will withdraw their custom from them and deprive them of chances of getting high interest on their capital; but, so far as I can learn, the great majority of them have shown no active dislike of the movement, and some have shown a praise worthy willingness to help. The ordinary village shopkeeper and banker is not the Shylock he is some times represented to be, owing to the harsh dealings of some of his fraternity, but merely charges what is reasonable interest in the present state of demand and supply of capital, and the general insecurity of advances to small peasants, owing to the violent vicissitudes of season to which their crops and cattle are subject. At all events the Registrar and his Societies should use every endeavour to disarm such hostility as exists, and to prove to the village banker that it is to his advantage to lend his capital in large sums at comparatively low interest to a Society with the certainty of recovering it without expense, instead of lending it to individual peasants in small sums at high interest, subject to the risk of losing much of it and having to sue in the law-courts for the recovery of a considerable portion of the remainder.

7. I agree with the Registrar that in many parts of the Province, Societies should be advised to charge at first interest at 12½ per cent. on loans to members. This is a considerably lower rate than the ordinary solvent peasant can at present borrow at, and would offer him sufficient relief. It would enable the Society to borrow, if necessary, at 8 or 9 per cent. and to build up a reserve more quickly. When its position was established and its reserve sufficient, the rate of interest charged would be reduced.

8. Among districts, Gurdaspur still leads the co-operative movement. Next in order come Jullundur, Lyallpur, Hoshiarpur, Montgomery, Gujrat, Ludhiana and nine other districts. Sialkot, Jhelum and Attock are shown this year for the first time in the accounts. A start was made last year in Sialkot, and a large number of Societies founded. None, however, have survived into the year under report and the 10 Societies now shown are fresh institutions One of the Jhelum Societies was started last year, but was not brought into the statements; the remaining 11 have been newly opened this year. All the 7 Attock Societies are new. In compliance with the orders conveyed in the Government review of last year's report, instructions have been given to Mr. Wilberforce to the effect that although attention should undoubtedly be paid to the central districts where the co-operative idea has been most readily welcomed, efforts should at the same time continue to be made in the less hopeful areas in the East and West of the Province, where the people are less prosperous and less fitted by habits and surroundings for combinations such as it is desired to encourage under the Act. All Settlement Officers have been requested to aid in starting Societies, especially among the archaic communities of the Delhi Division, in which the brotherhood feeling is still strong.

9. The Urban Societies of the Province have been reinforced by two fresh institutions founded by the Salvation Army. The 5 Societies control a capital of Rs. 41,300, but their working shows a deficit of Rs. 2. Share capital subscribed during the year amounted to Rs. 12,200, deposits by members to Rs. 4,000, deposits by non-members (in the case of the Salvation Army Societies) to Rs. 6,000 and loans repaid to Rs. 17,000 nearly. The working expenses reached the comparatively high figure of over Rs. 1,000.

10. Mr. Wilberforce and his staff have worked hard, and the success of the movement, which is very satisfactory for a year of such poor harvests, is due to their exertions. I think the time has come for a considerable increase in the staff, for it must be recognized that these Societies cannot at first get along without constant assistance from Government officers, who audit their accounts and advise them as to their procedure. By degrees, as they gain experience, they will be able to manage their own affairs; but there will then be plenty to do in starting more new Societies. The Registrar should now submit a scheme for the additional staff required. There is any amount of capital and of shrewd intelligence among the Punjab peasantry, and this co-operative movement promises to show the better men among them, how they can help their poorer neighbours with profit to themselves; and if Mr. Wilberforce can only persuade them not to withdraw their share capital, to insist on reasonable punctuality in the repayment of loans, and to build up a true reserve, he will establish the system on a still sounder basis and render a still greater benefit to the villagers. Acknowledgments are due to the newspapers and to the many gentlemen, both official and non-official, who have exerted themselves to popularise co-operative principles among their fellows, and have thereby aided in a good work.

J. WILSON,

Financial Commissioner, Punjab.

6th October 1908.

No. 210.

FROM

S. WILBERFORCE, ESQUIRE,

Registrar Co-operative Credit Societies, Punjab,

TO

THE JUNIOR SECRETARY TO FINANCIAL COMMISSIONER, PUNJAB.

Dated JULLUNDUR, *the 5th September* 1908.

SIR,

I HAVE the honour to submit my report on the working of Co-operative Credit Societies in the Punjab for the year ending June 30th, 1908.

I regret the delay but doubt if future reports will be submitted with more punctuality. Few Societies sent in their statements till August. Checking the statements and testing their accuracy is a long business and many statements have to be returned for corrections. They are then not received in my office without 2 or 3 weeks further delay.

The statements do not contain the accounts of four Societies. I was unable to wait any longer for their receipt.

I have, &c.,

S. WILBERFORCE,

Registrar, Co-operative Credit Societies, Punjab.

ERRATA.

On page 6, line 1, *for* " districted " *read* " distracted."

On page 6, last line, *for* " difficulty " *read* " difficulties."

Page 11, line 1, *for* " Soeieties " *read* " Societies."

Page 13, line 9, *for* " were " *read* " where."

Page iv of Appendix, line 6 of para. 6, *for* " mortgager " *read* " mortgagee."

Page v of Appendix, line 3 of para. 9, *separate* " smallagriculturists."

Page vi of Appendix, line 1, for " unlimted " *read* " unlimited."

Page vii of Appendix, line 1, *erase* " 25 " and *for* " 26 " *read* " 25 " and *for* " 27 " *read* " 26."

Page vii of Appendix, last line of column 24, *for* " 7,143 " *read* " 71,443."

REPORT

ON THE

WORKING OF CO-OPERATIVE CREDIT SOCIETIES

IN THE

PUNJAB,

For the year ending 30th June 1908.

PART I.

RURAL SOCIETIES.

Administrative and Staff.

I. During the year under report I held charge of the office of Registrar. During August and from October 14th to May15th I was on tour with only short and necessary interruptions.

My staff consisted on July 1st of one Personal Assistant on Rs. 100, one clerk on Rs. 30 and one Kanungo employed without sanction. It was increased with effect from July 22nd to three Inspectors on Rs. 150, 120 and 90, and two clerks on Rs. 50 and Rs. 30, the office of Personal Assistant being abolished.

To the posts of Inspectors I appointed Malik Fateh Khan, Naib Tahsildar, Munshi Nabi Bakhsh, my late Personal Assistant, and Chaudri Allah Dad Khan, the irregularly employed Kanungo.

Malik Fateh Khan was placed at my disposal on 4th September 1907. Ill-health interfered with his work during February, and from 22nd February 1908 he was compelled to take two months privilege leave. He has been employed in the Western Punjab districts and has done good work under most difficult circumstances. Munshi Nabi Bakhsh proved unsatisfactory when working independently. In his place I appointed Abdul Majid, candidate Naib-Tahsildar, from March 20th. This gentleman has shown great energy and ability. He is employed in Jullundur and neighbouring districts. Chaudri Allah Dad Khan, now a Naib-Tahsildar candidate, who has been employed since March 1906 on an irregular basis and partly at my expense, was confirmed on July 22nd and has continued to do excellent work, mainly in Gurdaspur and Lyalpur. He took two months leave in May. Pir Haidar Shah, Naib-Tahsildar, officiated for Malik Fateh Khan and Chaudri Allah Dad Khan.

Methods of Working.

II. I described fully in my last report the type of Society most popular in the Punjab. This Society requires all members to acquire a share or shares by instalments spread over ten years. My anticipations that most Societies working on other lines would welcome the introduction of share capital have proved correct. On June 30th, 1907, there were 95 Societies working with share capital against 79 working on purely Raiffeisen lines. On June 30th, 1908, the figures were respectively 218 and 39. Most of the Societies working without share capital were in a languishing condition, and the interest of the majority of members was slight. Since the alteration of their constitution a distinct improvement has taken place.

Under the present by-laws shareholders are entitled to withdraw their payments towards the purchase of shares after 10 years and to retain a share in the Society equal to the proportion of the profits which have accrued on their shares. I showed last year that this scheme was workable and would result in the creation of a large and permanent capital. I admitted, however, that for the sake of the Society and probably also of the members it would be far more beneficial if share payments were not subject to withdrawal. I have issued recently a pamphlet (of which I send a copy herewith) in which I have explained, among other things, the advantages of a permanent share capital. That my suggestions will be adopted immediately by present Societies is improbable. The consent of every member will be necessary, otherwise some will complain of

unfair treatment and breach of contract. There is, however, no advantage in endeavouring to obtain an immediate decision of the members. Every year they will gain more confidence in the stability of their Society and be more inclined to retain their share subscriptions permanently. One strong objection always urged against permanent shares is that, when members wish to sell their shares, they will never get a fair price. The market will be too limited especially if the few wealthy members are disqualified from purchasing as already possessing the maximum holding permitted to any one member. Whether new Societies will be formed with permanent non-withdrawable shares is also doubtful. The village money-lender, the irreconcileable enemy of the Co-operative Society always informs the uneducated zamindar that any money subscribed by him is gone for ever. This information appears to him correct when there is no provision for return of share capital, and he refuses to have any connection with what seems such an unprofitable venture. On the other hand he is ready to subscribe when there is a promise that his money will be returned. I endeavoured two years ago to form Societies with non-returnable shares. My endeavours were then unsuccessful. It is possible, now that the co-operative movement is viewed with more confidence in some districts, that future attempts may meet with better success. Otherwise it will be necessary to continue the formation of Societies with returnable shares.

III. *General Progress.*—In my last report I stated the number of Societies working actively to be 174. Of this number 25 have ceased active operations and are now wound up or in course of being wound up. With the elimination of these Societies and of two of which the statements have not been obtained the figures of the surviving Societies stood as follows on June 30th, 1907 :—

(1). In Province.

Number=147.

Number of members=14,950.

Total funds at their disposal=Rs. 2,69,444.

The same Societies on June 30th, 1908, were in the following position :—

Number of members=17,350.

Total funds=Rs. 4,43,403.

During the past year 106 new Societies have started operations.

The total number of Societies is therefore *253 with 21,565 members and assets of Rs. 5,29,617. Thirty-three are winding up their affairs. Their registration will shortly be cancelled. Their statistics are not included in this report. The registration of all paper Societies has also been cancelled. The paper Societies comprised 53 registered through the efforts of Mian Firoz Din, Extra Assistant Commissioner in Sialkot and Gujrat, and five established in Amritsar through the efforts of Suchet Singh.

I also mentioned last year the existence of 91 Societies whose transactions were practically or actually nominal. The majority of these have been cancelled. A few which have become active are included among the new Societies.

Of the 257 Societies the members of 160 are Muhammadans mainly or entirely.

The year under report has been a most difficult one for the infant village Societies of the Punjab. The Rabi harvest of 1907 was poor, the Kharif practically failed, and the last Rabi was generally confined to irrigated land. Scarcity has prevailed throughout the year. Under these circumstances practically every zamindar has required to borrow, recovery of loans has been out of the question in the case of many Societies, and share payments have been obtained in full by few Societies. These circumstances have tested the merits and powers of endurance of all Societies most severely, and it speaks well for the future success of the movement that no Society has succumbed to the effects of the scarcity. Still many Societies have lost ground which will require one or two good harvests to make up. In many Societies the majority of loans

* NOTE.—The statements of 4 Societies are not included as they have not yet arrived.

are now two years old. Success depends largely on the punctual and easy recovery of loans. The impossibility of earlier recovery has done much harm in two directions—it has caused the benefits derived from a Society to be confined to a few persons, and it has generated a habit which ought to be particularly avoided. Many of the weaker Societies have done practically no business in a year when loans were required by almost all members. They have therefore suffered to some extent in prestige. It was most unfortunate that the infant Societies of the Punjab should have had to face such difficulties in this early period of their careers.

Still there is a bright side to the picture. Considering the circumstances many Societies did remarkably good business. Men of any substance came forward with large subscriptions, some even borrowed from money-lenders on their own responsibility and deposited the proceeds with the Society. That any loans should have been repaid, considering that no coercive procedure was employed, was most creditable. Where any active business took place the people were most grateful as all money-lenders raised their rates. Where little or no business was possible, so far from complaining of the inutility of their Society, most members became all the more determined to strengthen it when matters improved. It is not anticipated that there will be any bad debts, except one in Jullundur of Rs. 35, but that recovery of loans will proceed smoothly after the next harvest. Having failed to make arrangements for the provision of funds from business sources I looked forward with the gloomiest apprehensions to the prospects of most of the weaker Societies, but having seen the spirited way in which many Societies faced their misfortunes and the hopeful views of all for the future, I feel more confident of eventual and permanent success than at any previous time.

The remarks of the last paragraph are of general application, but subject to some modification in a few special cases which are dealt with in the following remarks on the progress in separate districts.

(2). In separate Districts.

Gurdaspur.—In the Gurdaspur district progress continues to be most satisfactory though under the unfavourable circumstances of the year, aggravated by a Settlement, progress has been to some extent retarded. Fourteen Societies have entered the winding up list. Eliminating these Societies there were on June 30th, 1907, 54 Societies working with a total capital of Rs. 1,00,548. On June 30th, 1908, the surviving Societies possessed funds amounting to Rs. 1,60,955. There are also 5 new Societies with a capital of Rs. 1,764. The amount advanced on loans was Rs. 1,15,045 against Rs. 1,20,624. This is not unsatisfactory considering the difficulty of realizations. Members decreased from 11,722 to 9,740. This decrease is due partly to repayment of entrance fees to members of Shakargarh Societies owing to the orders to which I referred in my last report. Some of the winding up Societies also had large memberships. There will be a further decrease in the number of members to about 7,000 or 8,000, as some Shakargarh Societies which intend to reduce their area of operations at my advice will lose a large number of members. This reduction of members is in every way to be welcomed as an average membership of about 100 per Society is quite sufficient. With a large membership efficient management is most difficult.

With a few exceptions the Gurdaspur Societies continue to be the best in the Province. Their management, which in most cases is on a democratic basis, is most efficient, and the members who keep themselves well informed of the progress of their Society take a keen interest in its welfare. I have no space to mention many Societies individually though a large number deserve separate remarks. The Bham Society continues to be the largest in the Province and to do most excellent work. Its capital is now Rs. 22,242. Last year it advanced Rs. 17,014 on loan. Kishen Singh the capable President, has also persuaded the people of his village to settle their disputes in the village and established an elaborate and at present successful panchayat for this purpose. The Khojala Society is the second Society in regard to capital having funds of Rs. 12,853 and is also well managed. Many Mahommedan Societies in small and large villages continue to do excellent work, the Mamrai, Winjwan, and Dyalgarh Societies being probably the best.

Probably in no part of the Province was the scarcity felt more severely than in Shakargarh. From most villages a large proportion of the adult population wandered in search of labour to large towns such as Amritsar and Lahore. Realisations have therefore been nominal in the case of many Societies and no Society was able to prevent a large portion of its members from resorting to the money-lender. The Gumthala and Maingri Societies are worthy of special mention in that they made excellent progress in spite of adversity. Though there is not a wealthy man among the members of the Gumthala Society it increased its capital from Rs. 5,503 to Rs. 10,036 in the course of the year. Every member of any substance paid his share instalment and many on an increased scale. For this reason I advanced Rs. 2,000 from the money lent by Sir D. M. Hamilton. The Maingri Society increased its capital from Rs. 3,074 to Rs. 8,328. This increase was due to the public spirit of the President and his sons who have good appointments in Burma. The advantages derived from these two Societies have prevented the movement from collapsing in the Tahsil, and three other Societies followed their example to a lesser degree. Members of other Societies whose business was stagnant during the year now wish to emulate the example of the successful Societies. A year or two of prosperity is however required to put most of the Shakargarh Societies in a satisfactory position.

Lyallpur.—Better progress was made in Lyallpur during the past year than in any district. As against 16 Societies with a working capital of Rs. 26,244 there are now 37 with funds amounting to Rs. 1,12,596. An equal improvement has taken place in the quality of the Societies. Last year only one Society was entitled to be ranked in the first class. Now about 20 have a claim to that distinction and practically all promise to attain an equally meritorious position.

As I have explained in previous reports the debts of the people in many villages are considerable and carry a heavy rate of interest. On the other hand the savings of the agriculturist are much greater than in any other district. I visited a Mahommedan village where it was stated that some agriculturists had deposited Rs. 20,000 free of interest with a local money-lender who had lent out this money to other agriculturists in the same village at 25 per cent. A Society which can collect locally available savings can in a short period put itself in a position to enable all its members to pay off their debts and have sufficient funds for future current requirements.

Most Lyallpur Societies will in the near future be in possession of funds in excess of the amount required to finance their members. They will then be able to act as the pioneers of the general advancement of the Punjabi agricultural classes. They will enable their members to sell much of their produce at retail rates, and buy their requirements at wholesale rates. Among other schemes many Presidents favour the establishment of a wholesale cloth warehouse at Lyallpur to deal with Societies only and to provide them with warm cloth for coats (which are now generally worn) and thick and thin *chadars*. They will also enable their members to purchase labour saving machinery of different descriptions which will be almost essential if the cost of labour increases above the high rates already prevailing. One Society has purchased recently a steam flour mill for Rs. 2,561 but I have not yet heard the results of its working.

I have referred in paragraph VII to a by-law accepted by many Societies enabling them to lend surplus funds to Societies established in the villages from which the colonists emigrated to Lyallpur. This will be a good safe investment and provide a most useful addition to the funds of less wealthy Societies. I feel sure also that the Lyallpur Societies would be willing to deposit surplus capital in a Central Bank if one were estalbished.

There are two excellent Societies in Chaks 352 and 353 near Jaranwali managed by Kabir and his half brother, Shamun. Their members are Janglis who have little or no idea of business. To assist them in obtaining fair prices for their produce their Presidents applied for a site for a shop on favourable terms in the market to be established at Jaranwali when the railway is completed. This application has been sanctioned by the Financial Commissioner. The

scheme should be of great utility to the members of the two Societies, and under the able and public spirited superintendence of Kabir and his family has every prospect of being successful.

The two best Societies in the District are those situated in chaks 143 and 126, Rakh Branch.

Jullundur.—In the Jullundur District there were 44 Societies with a working capital of Rs. 83,514 at the beginning of the year. Nine of these Societies have ceased working Omitting their capital the surviving 35 Societies had at the beginning of the year funds of Rs. 78,568, and of Rs. 1,13,368 at the end of the year. The addition of 18 new Societies brings the number of Societies to 53 and their funds to Rs. 1,28,086.

Though the Jullundur Societies continue to do good work, their general average of quality remains below that of the Gurdaspur or Hoshiarpur Societies. Still the majority show a distinct improvement on last year, and the interest of the members grows with their appreciation of the benefits derived. The Barnala Kalan Society is second to none in the Punjab. Though the members (Muhammadan Rajputs) have lost half their land through sale or mortgage and are heavily indebted, the Society has prevented any of its members from having recourse to a money-lender for the last 18 months, and has paid off many old debts and redeemed a few mortgages. Naturally the greatest enthusiasm prevails among the members. The Society has a working capital of Rs. 7,256 inclusive of the capital of a branch Society which it has formed espacially for the benefit of weavers and other non-agriculturists. Of the total capital Rs. 1,500 was advanced by Government and Rs. 1,500 by Sir D. M. Hamilton. I have referred in my pamphlet to Abdulla Khan as a type of President who cannot fail to be successful.

Several other Societies are also doing good work. Owing to the success of the Rawat Society in a poor village, the local money-lender and shopkeeper has emigrated elsewhere and his shop been taken over by a zamindar.

Hoshiarpur.—In Hoshiarpur a high standard of quality continues to be maintained and it is a matter for surprise and regret that quantity does not increase more rapidly. The Panjawar Society, the oldest and the best in India, provides a model to be followed and is an example of success. It is not registered so its accounts are not included. All the 8 Societies which existed last year (with one possible exception) are also fit to serve as model Societies. But only four new Societies have started operations during the year. Of these one has followed the example of Panjawar and derives its income from the common land.

The 8 old Societies have increased their capital from Rs. 20,421 to Rs. 32,403. Including the assets of 3 new Societies the total funds at the dispossal of the Hoshiarpur Societies are Rs. 36,519. The accounts of the fourth new Society have not yet arrived.

The Garshanker and Badla Societies continue to be a credit to their Presidents Banne Khan and Sultan Ali respectively.

Mianwali.—In Mianwali there are the same number of Societies as last year, *i.e.*, 15 with working capital of Rs. 8,017 as against 6,363 last year. Their profits depending on the valuation of grain for the time being in their possession are subject to variation subsequently. These variations are not allowed for in future accounts so it is most diffiicult to ascertain the exact position of any Society. I devised last year a system of accounts for these Societies which appears satisfactory but the 3 Societies started by the late Captain Crosthwaite are most reluctant to abandon their old system which renders an audit of accounts impracticable.

The standard of the Mianwali Societies is of course low compared to that of more progressive and better educated districts. Still taking general circumstances into consideration progress is satisfactory.

Sialkot and Gujrat.—Last year Munshi Feroz Din, Revenue Extra Assistant Commissioner on special duty under me established 53 Societies in the Sialkot and Gujrat Districts. They were all registered and deposits or share payments of reasonably large sums were promised in every case. None of these Societies however had any prospect of any further progress. This fiasco was due partly to the unfavourable events which followed immediately after Munshi Feroz Din's efforts. The unparalleled severity of plague and the failure of the

record Rabi crops districted the attention of every agriculturist. When circumstances again became normal any knowledge of the objects, working and advantages of co-operation had passed from their minds. The only impression which remained was that Government was willing to advance whatever the members contributed by nominal paper transactions. Munshi Feroz Din's methods were also faulty. He thought that after two or three hours of explanation the people were in a position to start their Societies on a working basis. In Gurdaspur which he had recently left such methods were successful as the people had watched the working of Societies in the neighbourhood. He made the mistake of thinking such methods adequate in Districts where the people had no experience of the subject.

In September I directed Malik Fateh Khan, Inspector, to visit the villages where Societies were registered. He found that in only a small proportion of these villages was there any hope of success. During his tours, however, he discovered other villages where prospects were brighter, and succeeded in establishing altogether 19 Societies in Gujrat which now have a capital of Rs. 16,934 and 10 in Sialkot with a capital of Rs. 1,873. The majority of the Gujrat Societies have excellent prospects and enjoy the advantage of capable management. Most of the Sialkot Societies are however in a poor condition and much improvement will be necessary before any expectations of their permanency can be entertained.

Jhelum.—In Jhelum last year no active Society was shown in my report though one was working on a small scale. There are now 12 shown as doing active business with funds amounting to Rs. 9,442. Except two they were all started towards the end of the year and consequently have lent out only Rs. 7,150 of their capital. The transaction of active business was also delayed owing to discussions whether interest should be taken or the *bai' salim* system followed. There are also 5 other Societies formed but still in a practically nominal condition.

The Jhelum Societies seem to me to have good prospects. They were started under the auspices of Major Fox Strangways and Munshi Feroz Din Revenue Extra Assistant Commissioner. Their Presidents are men of good influence and position.

The Darapur Society especially promises to provide a good example to others. It has already working funds of Rs. 4,480 and enjoys the advantage of the able management of Raja Painde Khan.

Montgomery.—As against two Societies working with Rs. 14,483 last year there are now four Societies with a capital of Rs. 18,737. They are all doing good work and are managed excellently. The Kharal Fund operates partly in Lyallpur also and is managed by Kabir Honorary Magistrate who is also President of a Society near Jaranwali. Although its services were referred to in the last Land Revenue Administration Report as enabling many mortgages to be redeemed, and though it is doing most useful work, Kabir is most dissatisfied with its progress. Its special object is to enable mortgages to be redeemed mainly for which purpose it has got Rs. 8,653 lent out at present. The Society is however ready to do business on a far larger scale but is hampered by the existence of a procedure which causes redemption from a mortagee, who does not wish to relinquish the land, to be a tedious and expensive matter. I have frequently urged the simplification of this procedure but no steps have been taken except to facilitate redemption of mortgages entered into after the Land Alienation Act came into force. The other 3 Societies are also doing good work, especially that presided over by Jahangir at Kohike Bahawal.

The leading Muhammadans of Pakpattan have formed a Society to operate on a large scale and have already collected over Rs. 5,000. They have however not yet made up their minds as to the system of working of their Society. I have not included this Society in the statistics as it is not yet working actively.

Multan.—Against 3 Societies with a working capital of Rs. 3,069 there are now four (including one small new Society) with funds of Rs. 6,268. The old Thatha Ghilwan Society has made good progress having increased its funds to Rs. 3,509 from Rs. 1,676. It borrowed Rs. 559 from a Sahukar. It has had some difficulty with some borrowers which have been settled amicably with

the assistance of Malik Fateh Khan, Inspector. The other large Society, the Langley Society of Jalalpur, has done well but relies too much on the help of the Naib Tahsildar.

Attock.—In Attock, which I visited last April, 7 Societies were established in selected villages by men specially chosen for their influence with the people. Mr. Bosworth-Smith the Deputy Commissioner was responsible for the selection of suitable villages and for persuading the leading men to initiate the movement. He seems to have used good judgment in these respects as all 7 Societies are now working well and hold out good promises for the future. They have a working capital of Rs. 3,045 of which Rs. 2,700 had been given on loan by June 30th.

Amritsar.—There are now 3 Societies in Amritsar with funds of Rs. 4,333 of which Rs. 2,000 has been provided by Government. The Palasor Society which obtained the loan suffered subsequently from dissension and mismanagement with the result that the members' contributions descended from Rs. 2,279 to Rs. 341. Before withdrawing the Government loan I tried to persuade the people to work together. This attempt has been apparently successful as now (September 1st) the members' contributions have again increased to Rs. 1,350 but I am still doubtful whether the members are capable of working harmoniously and efficiently. The two new Societies with funds of Rs. 1,997 promise well.

Ludhiana.—In Ludhiana last year there were 7 Societies with a working capital of Rs. 10,135. This has been increased by Rs. 2,009, and 3 new Societies have obtained funds of Rs. 757. With one possible exception all these Societies are in an unsatisfactory condition. They were all established on a faulty basis, about half of the original subscribers being money-lenders whose only motive in subscribing was to please local officials. They have a considerable share in the management, and have no interest whatever in the welfare of the Society, and have made no effort to enlist the sympathy of the agricultural classes. Moreover in cases where any zamindar President began to take an active interest in his Society his ardour was soon damped by excessive official interference. Among other things every President was compelled to send a fortnightly copy of his accounts through the tahsil to the Deputy Commissioner, and was then constantly harassed by proving that mistakes discovered by some incompetent Ahlmad were not mistakes. The interest taken in the movement by Mela Ram, Tahsildar of Samrala, also proved most prejudicial as he entirely misunderstood the lines on which progress should be encouraged. The present Societies will be successful only if thoroughly reorganised. I regret that progress has been so unsatisfactory in the District especially as I have always regarded it as a promising field of operations.

Gurgaon.—Last year's statistics showed five Societies working in this District with a capital of Rs. 3,058. There are now 7 Societies with a capital of about Rs. 6,000 including Rs. 2,000 from Government. Their prospects are most uncertain and with perhaps two exceptions, the wisdom of their continuance seems doubtful. The managing members are lacking in any moral principles and influence. In giving loans they consider themselves and their relations the fittest recipients. If they do give loans to other persons they take a discount for themselves, and then are incapable of recovering them without assistance from me or the institution of suits. In this respect, perhaps, their position is a difficult one, the local money-lender being omnipotent and naturally advising borrowers not to repay the Society. Last Spring I gave all the Presidents and Managing Committees strong advice on the principles of management. Unless my advice has been acted on I shall order most of these Societies to cease their operations.

The statistics attached to the report refer to only 6 Societies. The accounts of the seventh have only been received recently and are full of mistakes.

Other Districts.—The two Societies in Karnal continue to languish. Their abolition seems the best course. One Society in Gujranwala has made some progress, the other Society is doing poorly, and has not yet sent its accounts which are not included. Registered Societies in Rawalpindi and Shahpur remain nominal. Their registration will shortly be cancelled.

IV.—*Working of Societies.*—The working capital increased from Rs. 2,84,126 to Rs. 5,29,617; share capital increased from Rs. 94,432 to Rs. 2,50,211, fixed deposits from Rs. 1,12,407 to Rs. 1,22,747, Government loans from Rs. 46,300 to Rs. 93,350 of which Rs. 3,000 were Takavi advances, and loans from non-members from Rs. 1,000 to Rs. 6,059 of which Rs. 5,000 is the amount advanced by Sir D. M. Hamilton.

CAPITAL AND LOANS.

1. Capital raised.

(*a*). *Amount.*—The amount given out on loan was Rs. 3,89,050. That this sum was not greater is accounted for by the fact that most previous loans were not repaid till towards the end of the year.

2. Loans.

(*b*). *Repayments.*—The loans outstanding at the beginning of the year amounted to Rs. 2,18,729. Recoveries amounted to Rs. 1,67,615. Considering the circumstances of the year this was most creditable. Many of the loans recovered, however, were from those given out during the year and I should estimate that 1906-1907 debts of about Rs. 75,000 are still outstanding.

(*c*). *Period.*—Successful Societies are beginning to give loans for periods longer than one year for liquidation of old debts or redemption of mortgages with repayment by instalments.

(*d*) *and* (*e*). *Purpose and Security.*—The general remarks which I made last year are, and always will be, applicable.

(*f*). *Rate of interest.*—Most Societies charge 9 or 9⅜ per cent on loans, about 20 charge 12½ per cent., one charges 7½, one 6 and one 4 per cent., and 16 work according to *bai' salim.*

3. Custody of funds.

Arrangements for the custody of funds continue unsatisfactory. As a rule the President himself keeps any spare cash. Satisfactory arrangement can only be made where a Post Office Savings Bank is situated in or near a village where a Society exists. But until the Post Office authorities adopt a more broad-minded policy the concession allowing Savings Banks to be used by Co-operative Societies is worthless. The remarks which I made last year on the subject were forwarded to the Post-Master General with the result that new rules, even more unsuitable than the previous rules, have been issued. Previously Rs. 2,000 could be withdrawn in the year without any notice and a month's notice was required for further withdrawals. Now a hard and fast rule has been passed allowing only Rs. 1,000 a month to be withdrawn without any notice. Societies do not require to withdraw monthly. The majority of their loan transactions are confined to two or three months of the year when they require power to withdraw the whole of their deposits. For Societies operating with large sums transactions with the Savings Bank are out of the question.

Profits of Societies.

V.—The surplus of assets over liabilities as given in last year's report was Rs. 26,398. From this must be deducted Rs. 2,560 which was at the credit of Societies which are being wound up, leaving a balance of Rs. 23,838. The increase during the year has been Rs. 30,026 according to Statement No. IV but some Societies have submitted incomplete statements as remarked in the succeeding paragraph. It therefore would be quite safe to estimate that the real total surplus of assets over liabilities is at least Rs. 3 or 4,000 more than shown in the statements. That the Punjab Societies have already obtained accumulated profits of some Rs. 57,000 is most creditable. The assets of every Society have increased during the year. I regret that for the reasons given in paragraph VI it is impossible for me to furnish a complete profit and loss statement. In the case of some 50 Societies the calculations are obviously incorrect.

The total expenses of all Societies for the year was only Rs. 1,403, which shows good management. Five Urban Societies with small business spent Rs. 1,021 on establishment and contingencies.

Accounts and Audit.

VI.—*Accounts.*—The accounts of all Societies are kept accurately and conscientiously. In most Societies the Presidents keep the accounts themselves. In some the Patwari gives assistance until some member has learnt how entries should be made. Only in one

Society was a mistake found of any importance. There was no entry regarding a sum of Rs. 40 which was deficient from the balance. But in preparing statistics for the annual report, although instructions were given in every village, a large number of mistakes have been committed. Some 90 Societies submitted their accounts in an accurate condition. The remainder were either partially or hopelessly inaccurate. They introduced into this year's accounts transactions of last year, and made many errors in their totals. However, through great energy on the part of my Inspectors I have succeeded in obtaining accounts which are at any rate practically accurate The mistakes, if any, in Statement II (Receipts and Expenditure) are insignificant, and Statement IV is equally correct except as regards columns 5 (Interest due on loans), and 14 (Interest due on deposits), and therefore does not show correctly the amount of the surplus of assets over liabilities. These mistakes are due to inexperience in account keeping and to some real difficulties. For instance: (1) in some districts large sums have been transferred from fixed deposits to shares with effect from the date of the original deposit. On many of these deposits interest was shown as due in last year's accounts. It should have been transferred to the credit side; (2) Many Societies take payment in grain. The value thereof is not entered in the cash accounts until the grain is realised. The result is that such transactions are often not shown in the statements; (3) Societies which deal according to the *bai' salim* system have a real difficulty in valuing the amount due as interest. They have not attempted to show the interest due. I confess that I can think of no way in which they could show the following typical account simply and correctly. An advance is made of Rs. 100 in October 1907 for one year on condition that the borrower will repay Rs. 100 worth of wheat at the rate of 21 seers per rupee. On June 30 the rate is 10 seers. If it remains at 10 seers the Committee will accept payment at 12 seers. On the other hand the rate may fall to 20 seers. I am unable to understand how a simple and intelligible system of account could show correctly the assets of such a Society. Endless debit and credit entries would be necessary.

Under circumstances such as these the difficulties in the way of preparing a profit and loss statement which would approach to accuracy are insuperable and my statements are defective in this respect. Statement IV however shows clearly and with approximate accuracy the total assets and liabilities and surplus profits of the Punjab Societies.

Though from the above remarks it might be considered that the Punjab Societies are deficient in their account keeping capabilities, so far from this being the case, I think that in this respect they are entitled to great admiration. Many Presidents, old and young, who have never kept an account in their lives before their Society was started, now keep accounts of Societies with transactions of Rs. 5 or 10,000 in the year without a mistake of a pie. I believe that I am right in stating that in no other province of India are village Societies able to submit their annual statements. Their figures are collected by auditors, which is practicable elsewhere, for example, in Madras where there is one auditor for about 15 Societies. In the case of the Punjab with one Inspector for 86 Societies many of whose accounts require 2 days to audit and with most roads impassable, except with great delay, in a season of heavy rain such collection would be impracticable. Besides it is good for the efficiency of a Society to learn to prepare its statements unaided.

The accounts of every Society were examined during the year.

Resources: Government loans: Access to money market, &c.

VII.—Out of the lakh granted to me for giving advances to village Societies I have expended Rs. 91,350. One Society in Jullundur has repaid voluntarily an advance of Rs. 1,000 as it has sufficient funds of its own. From a Karnal Society I ordered recovery of a loan of Rs. 500 on the grounds that the members' contributions had decreased to Rs. 375, and that business was conducted inefficiently and with partiality. I also ordered recovery of a loan of Rs. 1,000 from a Gurgaon Society as on the receipt of the money the President himself took a loan of Rs. 500, and distributed the rest among the managing members to prevent complaints on their part. Both these sums have been paid since June 30th.

Of the loan of Rs. 5,000 from Sir D. M. Hamilton the remaining Rs. 4,000 was advanced during the year.

With the exception of a Central Bank at Simla formed by the Salvation Army to finance its own Societies, no Central Bank has yet been established, and under present circumstances there seems no prospect that such a bank will be established in the Punjab. I have discussed the matter with many prominent capitalists and am well acquainted with their views. They do not consider that a Central Bank formed to assist village Societies with loans at 6¼ per cent., the highest rate that existing Societies could afford to pay, would be a sufficiently profitable concern under present circumstances. After paying expenses of management profits could not exceed 4 per cent. even if there were no bad debts. Business would never be brisk nor the turnover rapid. They would be content with a small profit if the security of their borrowers were practically gilt-edged, that is, if Government would grant facilities for the recovery of debts. They would also be content with a moderate profit if Government would undertake the management as is the case in some Central Banks established in the United Provinces. They see no advantage, however, in forming a bank which would give small profit and considerable trouble in management. I believe that I am correct in stating that up to the present time no Central Bank has yet been formed in India on purely business lines. I have recently advised Punjab Societies to charge borrowers 12½ instead of 9 or 9⅜ per cent., thus enabling them to borrow profitably at 9 per cent.; but I have some doubt if a Central Town Bank will be formed to finance them even on these terms.

While it does not seem probable that capital will be attracted through the medium of a Central Town Bank, it is possible for the difficulty to be solved to some extent at any rate in other ways. When many Societies have been established in a district they might form their own Bank as was done by the first Raiffeisen Societies, or some individual village Society which has attained a strong position and gained a good credit might also undertake the functions of a Central Bank. The able and energetic manager of the Bham Society in Gurdaspur has recently placed before me a proposal of this nature. He believes that his Society can raise a large amount of money at about 4 per cent. which it in turn would lend at 6 or 6¼ per cent. This scheme seems promising. A Society in Jullundur might also assume the same functions for the Jullundur District.

The wealthy Lyallpur agriculturists also promise to be of assistance in providing much-needed funds to Societies in other districts. Most of the Lyallpur Societies have accepted a by-law to the effect that surplus funds will be lent to Societies established in the villages in which the colonists originally resided. Though no surplus funds are yet available, some Societies established in other districts mainly owe their origin to this hope of assistance.

It would, I believe, be easy to establish a Central Bank on a large scale at Lyallpur. It would have the sympathy of all zamindars and many would be able to invest large amounts. Such a bank would have little scope for, and do little good in financing Lyallpur Societies as most of them will be able to become self-sufficient by attracting local savings. It could be of great use, however, in financing Societies in other districts. But business with Societies in other districts could not be transacted efficiently from Lyallpur. It would, therefore, be necessary to establish a local District branch office. This would mean that practically the whole of the active business of the Bank and the whole of the responsibility would devolve on an agent. An agent whose reliability and capabilities would recommend themselves to the suspicious zamindar investor would be hard to obtain. If, however, Government would consent to place a trustworthy Naib-Tahsildar on special duty to manage a branch office for a few years these difficulties would probably be solved. I may mention that the Government of the United Provinces has lent for five years a Naib-Tahsildar to the Moradabad Co-operative Bank which is a comparatively insignificant concern.

In years of scarcity village Societies can derive much assistance from takavi loans. I understand that they have received large sums in the United Provinces. A good village Society is the best distributing and collecting agency

available. Two Societies in Gurdaspur received grants of Rs. 2,000 and Rs. 1,000 respectively. The efficient distribution and collection of this money will, I hope, lead Government to issue special instructions to Deputy Commissioners to grant takavi loans, where possible, through Co-operative Societies if satisfied of their management.

I have received recently a promise for Rs. 10,000 from the Alliance Bank of Simla at 6 per cent., which I hope to have advanced before this report is in print. A Director of an Amritsar Bank under Indian management has also offered me advances of large sums at 8 per cent.

In conclusion I may remark that though Punjab Societies have failed to obtain assistance from capitalists through Central Banks, they have attracted the confidence and savings of the genuine agriculturist to a far greater extent than in any other province. In fact last year's statistics show that the contributions of the Punjabi agriculturist nearly equal those of all other provinces combined. If this fact is interpreted as proof that the Punjabi agriculturist has been forced to work out his own financial salvation because no one else will assist him it ceases to be a matter of regret that no financing agency has been established

Disputes and litigation.

VIII. There have been a considerable number of disputes during the year. Most have related to the recovery of loans. Several Presidents have sent me lists of persons who have refused to pay their debts and asked for my intervention. In some cases I found that the President was justified in demanding payment and have ordered the debtors to pay. All my orders have been complied with. That informal orders of the Registrar will always be obeyed cannot be expected, nor will the Registrar have time for personal local intervention. In other cases I considered that time should be given to debtors on the ground of scarcity. In two or three Societies there were acrimonious charges levied against the Presidents. The disputes arose from personal prejudices, not from any transactions of the Society. These disputes also I was able to settle amicably. I have heard within the last week that a President of one of the Gurgaon Societies has instituted civil suits wholesale against the indebted members, but I am unaware at present of exact details.

Winding up of Societies.

IX. I stated last year that 10 Societies were winding up their affairs. Nine of these Societies were situated in Gurdaspur and one in Hoshiarpur. The affairs of one only have been finally wound up. Difficulty of realisations has retarded progress in other cases.

During the year 25 more Societies were ordered to wind up their affairs.

In the case of some of these Societies the suggestion that the business should be wound up emanated from the people themselves, in other cases the people unanimously accepted my advice to a similar effect, and only in one case was I compelled to issue orders against the wish of some members. In this case my order was amply justified by the fact that the managing members were subsequently unable to collect any outstanding debt. A liquidator appointed by me has collected practically every debt with no difficulty.

Where the managing members are competent the task of winding up is left to them. Otherwise the most capable and reliable man in the neighbourhood is appointed liquidator. It is not anticipated that members will lose any of their contributions in any Society, but where a liquidator has been appointed there will be little or no profit to divide.

In every case the facts which have rendered winding up advisable have been the incompetence of the managing members, or their failure to command the confidence of the rest of the village. Where incompetence has been due to inexperience I have tried to remove the defect by constant advice, but where it is obvious that no improvement is to be expected in the near future and no other more suitable members are available to undertake the management, I have been compelled to suggest the cessation of business. Where the leading members do not command the confidence of their fellows it is impossible to advise the continuance of a Society.

X. *Opposition and Assistance.*—In my previous reports I have remarked on the opposition experienced at the hands of the village money-lender. This opposition continues and grows more widespread as the Co-operative movement extends. Misrepresentation is the most deadly weapon that the money-lender possesses. Temporary reduction of interest below the rates charged by the Society is generally resorted to and is sometimes successful. Intimidation of indebted members by means of threats to worry them by legal proceedings often prevents them from borrowing from a Society, especially when the Society cannot provide them with their full requirements. One of my Inspectors has been followed in many villages in Jullundur by a money-lender opponent. In the Garshankar Tahsil a private company of money-lenders with a capital of 2 lakhs is said to have been formed to prevent the establishment of any Co-operative Credit Societies by every conceivable means. With regard to the admission of money-lenders as members I have advised the people to use their discretion in each case. In very few cases have money lenders been admitted, the zamindars being afraid that superior cunning may give them practical control of the management or power to wreck the Society.

1. Opposition.

The big capitalist who sometimes practises money-lending is not opposed to the movement which of course may give him good opportunities for safe investments. His only complaint is that Government will give no facilities for recovery of loans.

I have received considerable assistance from officials. The Deputy Commissioners of Jhelum, Lyallpur and Attock are largely responsible for the formation of new Societies in their respective districts. In Jhelum, Munshi Firoz Din, Revenue Extra Assistant Commissioner, gave me most valuable assistance, and Ali Mahomed, Extra Assistant Commissioner, was almost equally useful in Lyallpur. From no official, however, have I received more assistance than from Khan Sultan Ahmad, Revenue Extra Assistant Commissioner, for half the year in Mianwali and for six months in Jullundur. I have also received the support of Deputy Commissioners in districts where Co-operative Credit Societies are already established, especially in Gurdaspur and Jullundur. Many Tahsildars have given me assistance, Haq Nawaz Khan of Nawashahr, and the Naib-Tahsildars of Samundri and Jaranwali, Amanat Ali and Allah Vasaya, being most worthy of mention. Many Patwaris have been most useful in advising the people and showing them how to keep accounts. The presence of a good Zamindar Patwari in a village is an almost inestimable advantage.

2. Official assistance.

I have again been fortunate in eliciting the sympathies of the Vernacular newspapers, especially the *Zamindar* and *Watan*. The Editor of the latter who has written a broad-minded book (sale price annas 10) on the morality of Mahommedans taking interest presented me with 40 copies for distribution. They have had an excellent effect. The Editor of the *Zamindar* prints periodical pamphlets on agricultural improvements which, he suggested, might be circulated to Co-operative Credit Societies. Though these pamphlets are full of useful information, I am doubtful whether the ordinary villager would derive much benefit from them. The educated ought to subscribe individually. Other vernacular newspapers are inclined to complain of slow progress and demand some system which will effect a more rapid improvement in credit.

3. Unofficial assistance.

As I remarked last year, the true pioneers of the movement are the gentlemen who by the establishment and efficient management of good Societies set an example to others. A successful concrete example has far more effect on villagers than any amount of persuasive argument. For instance, the success of the Gumthala Society was responsible for the establishment of five Societies among colonists in Lyallpur recruited from the same Zail. The credit is due to the Gumthala Society and its President, not to the President in his personal capacity. I give in a separate statement attached to this report the names of the most successful and efficient Presidents who have deserved the thanks of Government for their good work. I have omitted a few of the persons included last year not on the ground that their work has deteriorated, but because the standard of efficiency is rising and their progress has been stationary.

There are many Presidents of Societies who would accompany me to assist in explaining matters to zemindars in their own districts or outside. Such assistance can be most useful.

During the past year Narain Singh, President of the Tibbur Bank was rewarded with the title of Sardar which he thoroughly deserved. Certificates of the approbation of the Punjab Government were distributed to the Gurdaspur Presidents by the Commissioner of Lahore at a Durbar, and special certificates were distributed to some Lyallpur Presidents at the Cattle Fair.

XI.—In districts were Co-operative Societies have begun to do good business and to be appreciated by the people, prospects of extention of the movement are excellent. It is probable that a considerable number of new Societies will be started in Gurdaspur, Jullundur, Hoshiarpur, Lyallpur, Gujrat, and, possibly Jhelum, if the harvests are favourable. Progress in other districts, however, does not depend on the Registrar and his staff but entirely on the efforts of local officers. Without neglecting existing Societies it is impossible for the Registrar and his staff to devote the time required for starting operations in new areas. During the year the Registrar has to visit 295 villages where Societies exist or are being wound up. The Registrar has also to visit some Societies more than once as disputes break out calling for immediate decision. During the last touring season I travelled some 2,500 miles on horseback and 8,000 miles by train.

Prospects of extension.

The Inspectors are equally busily occupied. A thorough audit of accounts, sometimes complicated and involving occasionally rewriting from the beginning, is a long business. All Societies gain from two inspections, in the case of many a second visit is essential. It must also be remembered that a large amount of time is wasted in travelling from one Society to another. This is especially the case in the Western Punjab Circle. The consequence is that the Registrar and his staff will only be able to assist the formation of new Societies in the vicinity of existing Societies. Such assistance involves generally a few miles ride and two hours of discussion with the villagers, who from their acquaintance with neighbouring Societies are well informed about the objects, principles, and working of Co-operation.

Establishing Societies in districts where the people are unacquainted with the subject is, however, a totally different matter. The subject is a new one and the intelligence of the Punjabi agriculturist is not quick at grasping new ideas. Long and repeated explanations are required before the matter penetrates eventually into their brains. If the people do not obtain a complete grasp of the subject the successful establishment of a Society can never be expected. To begin with, no member has sufficient knowledge to controvert the inevitable misrepresentations of the money-lender and even if such opposition does not prove fatal, the leading agriculturists are deterred from action by diffidence of their ability to manage the affairs of their Society. After thoroughly educating the people in the objects advantages and working of Co-operative effort, it is necessary to put the Society on an actual working basis. An officer forming a Society must see that a good managing Committee is elected, that as much money is collected as can reasonably be expected, and that this money is advanced on loan in a suitable manner and properly entered in the accounts. After giving definite instructions for the future he is entitled to anticipate a useful career for the Society. My remarks on the Gujrat and Sialkot districts show the result of the futility of attempting to establish Societies in a hasty manner.

From the above remarks it is clear that the Registrar and his present staff are not in a position to attempt to form Societies in new areas. Extension of the co-operative movement in new areas depends, therefore, either on an increase of the Registrar's staff, or on the efforts of District or Settlement Officers. The last-named would seem most suitable for this work, as they and their subordinates are in daily contact with the people for four or five years. It must be recognised however that, unless they are prepared to spend a considerable amount of time and trouble in putting a Society on an active footing, their assistance will be practically worthless. An increase of the Registrar's staff, which is far smaller than in any other province where any substantial progress has been made, would insure the best prospects of extension. At present their power to act as propagandists has virtually ceased.

The Jind State has recently deputed an officer to be trained under me with a view to establishing Societies in the State.

PART II.

URBAN SOCIETIES.

As against 3 Urban Societies with a working capital of Rs. 17,782, there are now 5 with a capital of Rs. 41,309. The two new Societies were established by Commissioner F. Booth Tucker of the Salvation Army, to promote the general and especially the industrial improvement of its members. Most of the business of the Simla Central Bank has been transacted outside the Punjab. A branch Bank, has however, been established at Amritsar and is doing business in the Amritsar and Lyallpur districts.

The Simla Monotype fund and Ahsanul-Akhlaq Lahore Society appear to be doing good business, but the position of the Simla Urban Clerks' Society seems to be most unsatisfactory. Bad debts amounting to Rs. 891 have been written off in the course of the year and consequently the whole profits of the Society and its reserve fund have disappeared.

APPENDIX I.

GURDASPUR.

1. Kishen Singh, Zaildar of Bham.
2. Narain Singh, Zaildar of Tibbur.
3. Phangan Shah, Zamindar of Tibbur.
4. Rahim Bakhsh, Zaildar of Gumthala.
5. Sultan Ali, son of Rahim Bakhsh, Zaildar of Gumthala.
6. Muhammad Bakhsh, Safedposh of Bhaini Melwan.
7. Teja Singh, Zamindar of Khojala.
8. Ghulam Din, Lambardar of Maingri.
9. Sube Khan, Lambardar of Dyalgarh.
10. Rur Singh, Lambardar of Dherowali.
11. Hashmat Ali, Sub-Registrar of Chhajwal.
12. Abdul Aziz, Lambardar of Thih Ghulam Nabi.
13. Subedar Hakim Singh of Khanuwala.
14. Ghulam Muhammad, Lambardar of Mamrai.
15. Alam Khan, Lambardar of Kala Afghanan.
16. Alam Khan, Zaildar of Chhachhryala.
17. Nabi Bakhsh, Safedposh of Winjwan.
18. Alla Rakha, Lambardar of Lakhan Kalan.
19. Sultan Bakhsh, Lambardar of Dala.
20. Khair Ali, Zamindar of Satkoha.

JULLUNDUR.

1. Abdulla Khan, Safedposh of Barnala Kalan.
2. Bakhshulla, Zamindar of Nakodar.
3. Maula Bakhsh, of Rawat.
4. Niamat Khan, Zamindar of Baghauran.
5. Murid Ahmad of Bhadam.

5 A. Nur Muhammad, Lambardar of Chuheki.

6. Fateh Khan, Lambardar of Nakodar.
7. Hirnam Singh of Jamsher.
8. Fateh Din of Cheta.
9. Sardar Balwant Singh of Moron.
10. Chuhar Singh, Zaildar of Chima Khurd.
11. Amar Singh, Lambardar of Littran.
12. Sher Singh, Zaildar of Sidhwan.
13. Pir Bakhsh, Zamindar of Jamsher.
14. Jamil Khan, Zaildar of Behram.
15. Pal Singh, Safedposh of Shanker.

HOSHIARPUR.

1. Sultan Ali, Zaildar of Badla.
2. Banne Khan, Zamindar of Garshankar.
3. Fateh Din, Zamindar of Todarpur.
4. Tikka Oppinder Singh of Manswal.
5. Ch. Natha Singh of Badla.

LYALLPUR.

1. Nathe Khan, Lambardar of Chak No. 143.
2. Allah Dad of Chak No. 126.
3. Shamir of Chak No. 353.
4. Shammun of Chak No. 352.
5. Wadhawa of Chak No. 264.
6. Khair Din of Chak No. 140.

7. Sultan Bakhsh of Chak No. 2.
8. Ahmad Bakhsh of Chak No. 9.
9. Raja Karam Dad Khan of Chak No. 129.
10. Sultan Bakhsh of Chak No. 3.
11. Dalip Singh, Zamindar of Chak No. 118.

GURGAON.

1. Rao Chhaju Ram, Zaildar of Dharu Hira.

GUJRAT.

1. Ch. Fazl Ali, Zaildar of Ajnala.
2. Ch. Imam Bakhsh of Pahrianwali.
3. Jamal Din of Mughowal.

MULTAN.

1. Syad Muhammad Shah, Lambardar of Thatha Ghilwan.

MONTGOMERY.

1. Kabir Khan, Zaildar of Mehrpur.
2. Jahangir, Zaildar of Kohike Bahawal.

MIANWALI.

1. Ahmad Khan, Lambardar of Dhandla.
2. Paindu Shah, Lambardar of Chuni.
3. Sardar Ahmad Khan, Zamindar of Ghandi Ali Khan.

JHELUM.

1. Raja Painde Khan of Darapur.

APPENDIX II.

With reference to the correspondence received with your endorsement No. 3134, dated 23rd May 1908, I have the honour to submit the following remarks regarding the rates of interest paid by the Punjabi agriculturist.

2. Leaving the big landowners out of the question as they form an insignificant minority and would practically never be borrowers from Co-operative Credit Societies, the typical Punjabi agriculturist is a peasant proprietor or tenant with a small holding of some four acres of cultivated land. For practical purposes the holdings are even smaller as in several districts land classed as cultivated is rarely brought under cultivation. Owing to the ubiquity of the money-lender practically all of these cultivators have some credit. This credit, however, varies with circumstances, as credit does with every other class. It depends generally on the character and position of the borrower, on the degree of his necessity for an immediate loan, and on the extent of competition among the people anxious to lend. It is also affected by the presence or prospects of scarcity. It is unnecessary to add that secured loans are granted on more favourable terms than others.

Cash Loans.

3. Cash loans on no security carry interest varying from 12 per cent. up to anything. It is only in rare cases that loans are obtainable at 12 per cent. This rate occurs in strong Hindu Jat villages in Ludhiana where competition among professional and agriculturist money-lenders is keen. Villages near big towns are occasionally in an equally fortunate position partly owing to competition, but mainly because the indirect perquisites obtainable from the debtors are more valuable and difficult to obtain. Among the backward tribes of the Punjab I have come across cases where interest is charged at the rate of 2 annas a month compounded half-yearly, *i.e.*, nearly 200 per cent. The most common rates are 18¾, 25 and 37½ per cent. These rates are, however, liable to a considerable increase under certain pressing circumstances. Loans for payment of revenue, when essential, are granted at high rates. This past year 75 per cent. was by means uncommon. Loans for prosecution or defence of criminal cases are stated to be given at 3 or 4 per cent. per mensem in Jullundur where rates of interest are low compared to most other districts.

The money-lender also takes advantage of the urgent necessity of the borrower in case of loans for marriage ceremonies. Such loans are generally granted about a month before the ceremony on promise of repayment from the wedding cash offerings, and 5 per cent. or one or two annas in the rupee are cut for payment of interest in advance. These deductions represent an obviously heavy rate of interest for a month's accommodation. On any balance left unpaid interest is charged at rates varying between 18¾ per cent. and one anna per rupee per mensem, *i.e.*, about 100 per cent. The latter rate is not at all uncommon. I have met with such cases in many districts including Jullundur where, as I have stated above, rates of interest are comparatively low.

From the replies of many Deputy Commissioners it might be assumed that loans for marriage ceremonies are always repaid from the wedding offerings, and that permanent indebtedness never begins from such transactions. This view is absolutely unjustified by facts, as it is rare even among most thrifty people for the whole of the expenses to be covered by the "tambol" offerings.

There is a very general custom especially in the Central and Western Punjab for agriculturists to purchase bullocks from traders, or to borrow for such purchases, and to repay by instalments. The instalments are generally made repayable at the two following harvests. At the lightest the agriculturist has to pay two six-monthly instalments of Rs. 60 on a purchase of Rs. 100, *i.e.*, 33 per cent. More commonly, however, he is required to pay two instalments six-monthly of Rs. 75 for Rs. 100, *i. e.*, he pays at the rate of 75 per cent. In the Delhi and Gurgaon districts it is stated that loans of Rs. 10 are made repayable by twelve monthly instalments of Re. 1, and 4 annas are cut from the loan when granted. This rate of interest works out to nearly 60 per cent.

4. Whatever interest is charged by the money-lender he has many devices for increasing his profits :—

(1) On practically all loans throughout the Province a deduction of some small percentage is made from the amount advanced. This deduction varies with other circumstances. Occasionally as much as two annas in the rupee is cut from the loan. As a general rule, however, one anna in the rupee, or 5 per cent., is the customary deduction. This deduction is nominally on account of future interest, but as a matter of practice interest is charged on the full nominal sum from the date of the loan, and the full nominal amount is also recovered.

(2) Interest on loans is compounded half-yearly, as a general rule in January and July. A broken period, however short, is calculated as a full six months.

(3) A loan granted in January, if repaid in the following January, carries 13 months' interest. The month of January is counted twice over. Some money-lenders improve on this and charge 14 months' interest counting both July and January twice over.

(4) A recognised client (asami) is bound to sell his grain, gur, etc., to the money-lender, who feels justified in allowing rates one or two seers in the maund worse than the local market rate. This source of profit is a very valuable one.

(5) Most money-lenders keep some cattle, and if they have no land or insufficient land to provide fodder, they expect their clients to do so. Such contributions of bhoosa are freely given to keep the money-lender satisfied and their value is never credited.

The profit derived from these two last sources of income is often almost equal to the direct gain from interest. The good client who obtains loans at a favourable rate of interest is generally thus favoured owing to these indirect advantages from his custom.

Seed Loans.

5. Few cultivators keep sufficient grain for sowing at the next harvest. This is partly due to natural improvidence and partly to want of satisfactory facilities for storage. In good seasons many are able to buy the grain required for seed, but in bad seasons practically all have to borrow. Advances of seed are, as a rule, repayable in kind at the next harvest. In ordinary seasons the borrower has to repay 1¼ maunds for every maund borrowed, *i.e.*, at the rate of 50 per cent. per annum. In bad years when rates are high, the borrower has to pay back double. This was the general rate for borrowings at the last Rabi sowing. In the Western Punjab many borrowers were required to repay 30 seers for every ten seers borrowed, a rate of 400 per cent. If the crop fails the amount due is converted into a cash loan or occasionally into another grain loan for the next harvest. In Gurdaspur I came across a case where an agriculturist borrowed Rs. 32 worth of rice last year agreeing to repay twice as much in kind. Being unable to repay he agreed to repay as if he had borrowed Rs. 64 worth of gram on condition of repayment of double the amount. He thus repaid Rs. 120 worth of gram ten months after the first loan having actually received only the value of Rs. 32. In some districts of the Delhi Division it is stated to be usual to treat seed loans as cash loans. The money-lender advances annas 14 worth of seed, debits the borrower with Re. 1, and exacts payment of Rs. 1-2-0 after the harvest.

Loans on Security.

6. Mortgages for a limited period have not yet become popular. Loans on mortgages are, therefore, generally made by one agriculturist to another. Where the people are well-off and land is scarce, loans on usufructuary mortgages are granted at very low rates of interest. If interest is reckoned as the net profit from the rental value of the land some mortgages bring in less than 3 per cent. If a good Jat cultivator is the mortgager and cultivates the land himself, of course he can get a larger profit. Most Deputy Commissioners state the interest on mortgages to be from 6 to 12 per cent., though it is not clear how the interest is calculated. Ordinary hypothecations are rare in the Punjab. Interest in such cases seems to be from 12 to 24 per cent.

Many loans are raised on pawned jewellery in times of scarcity. The rates are generally from 9 to 12 per cent. except in cases of gold jewellery on which 6 per cent. is sometimes charged.

General remarks.

7. The rapacity of the money-lender is often tempered by prudence or the force of circumstances. I have seen both in Court and in the villages many instances where he appears to have acted not only with leniency but even with generosity. I have seen many cases where with a high rate of interest chargeable half the amount due has been remitted. It is always, however, possible to discover some explanation of apparent liberality. Where an old debt consisting mainly or entirely of heavy compound interest is likely to be brought into Court it is a favourite device to remit half the interest on the bond or the balance admitted by the debtor so as to enlist the sympathy of the Judge. Previous accounts are rarely looked at. When competition among money-lenders becomes keen, it is prudent policy to remit half of the 37½ per cent. interest chargeable, especially in the case of a client from whom valuable perquisites are obtained. Finally when a client reaches the end of his tether and cannot pay more than a part of the interest on his loan, which consists almost entirely of compound interest, the money-lender is satisfied with what he can get, knowing it impossible to get anything more. In the extreme Western Punjab some appearances of liberality are often necessary to avoid violence.

8. A few Co-operative Societies in the Punjab charge 12½ per cent. interest, one charges 7½ and one 6 and one 4 per cent. The remainder charge 9⅜ or 9 per cent. At the last Conference of Registrars I was attacked for advising so low a rate compared to prevailing rates. It was urged that a higher rate charged on loans would enable Societies to borrow with more facility from outside sources, and also to pay higher rates of interest on the shares and deposits of their members, thus rendering saving more attractive. Altogether a higher rate would give greater scope for advance. These criticisms I admit to be theoretically

correct, and in future I shall advise Societies to charge $12\frac{1}{2}$ per cent., especially in poorer districts. At the same time it will be necessary to exercise the greatest caution as the most powerful weapon of the village money-lender, the irreconcileable enemy of the Co-operative Society, is a reduction of interest below that charged by the Society. In Jullundur and Gurdaspur (where most progress has been attained) in villages where a Society has done well the village money-lender endeavours to seduce the members with offers of loans at 6 per cent. Though most of the members understand that this is merely a device to wreck the Society there are of course some deserters for a temporary advantage. In the case of an infant Society with funds insufficient except for small loans at $12\frac{1}{2}$ per cent. an offer from a money-lender to lend money at 6 per cent. would cause a wholesale desertion.

I do not propose to interfere with the rates of interest charged by existing Societies as any increase would be most unpopular.

9. I consulted all Deputy Commissioners and Settlement Officers as you suggested. Their replies, though in some cases dealing only with large landowners, confirm generally the statements made in the above remarks regarding the interest paid by smallagriculturists.

APPENDIX III.

STATEMENT I.—GENERAL PROGRESS.

RURAL SOCIETIES.

Serial No.	Name o District.	Kind of Society.	Number of Societies. At the beginning of the year.	Number of Societies. At the end of the year.	Number of Members. At the beginning of the year.	Number of Members. At the end of the year.	Remarks.
1	Gurdaspur	Unlimted.	68	59	11,722	9,740	
2	Jullundar	Do. ...	44	53	2,186	3,914	
3	Lyallpur	Do. ...	16	37	375	1,231	
4	Sialkote	Do. ...	...	10	...	323	
5	Gujrat	Do. ...	1	19	191	1,332	
6	Mianwali	Do.* ...	15	15	929	1,061	* One limited.
7	Hoshiarpur	Do. ...	8	11	628	1,042	
8	Ludhiana	Do. ...	7	10	408	745	
9	Gurgaon	Do. ...	5	6	306	466	
10	Montgomery	Do. ...	2	4	241	246	
11	Multan	Do. ...	3	4	99	411	
12	Jhelum	Do. ...	...	12	...	434	
13	Attock	Do. ...	...	7	...	395	
14	Amritsar	Do. ...	1	3	54	136	
15	Gujranwala	Do. ...	2	1	49	30	
16	Karnal	Do. ...	2	2	66	59	
	Total ...	...	174	253	17,254	21,565	

URBAN SOCIETIES.

Name of Societies.	Kind of Society.	Number of Societies. At the beginning of the year	Number of Societies. At the end of the year.	Number of Members. At the beginning of the year.	Number of Members. At the end of the year.	Remarks.
1	2	3	4	5	6	7
The Simla Urban Bank ..	Urban limited.	1	1	164	149	
The Monotype Provident Fund ...	Do. ...	1	1	36	36	
The Central Brotherhood Urban Bank ...	Do. ...	...	1	...	18	
The Brotherhood Urban Bank Salvation Army.	Do. ...	...	1	...	34	
Ahsanul Akhlaq ...	Do. ...	1	1	79	79	
Total ...	...	3	5	279	316	

RURAL SOCIETIES.

Name of District.	Number of Societies.	Receipts.											Disbursements.													Remarks.
		Share payments.	Entrance fees.	Deposits by members.	Loans from Government.	Loans from other sources.	Loans repaid by members.	Interest received.	Other income.	Total income of year.	Opening balance.	Grand Total receipts, including the opening balance.	Share instalments repaid.	Deposits withdrawn.	Loans repaid to Government.	Loans repaid to other persons.	Loans to members.	Interest paid on loans and deposits.	Establishment and contingencies.	Other items.	Carried to reserve.	Total expenditure.	Closing balance.		Grand Total expenditure, including closing balance.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Gurdaspur	59	28,644	745	9,548	19,150	2,500	59,214	5,228	13	1,25,042	8,197	1,33,239	1,783	3,430	...	...	1,15,441	1,707	236	886	...	1,23,483	9,756		1,33,239	
Jullundur	53	36,872	1,635	14,545	10,050	2,000	40,481	5,691	131	1,11,405	11,578	1,22,983	543	18,941	1,000	...	86,341	736	280	40	...	1,07,878	15,105	...	1,22,983	
Lyallpur	37	52,404	1,053	23,118	7,000	..	29,650	2,659	519	1,16,403	8,867	1,25,270	4,170	2,931	...	...	98,335	...	246	3,579	...	1,09,261	16,009	...	1,25,270	
Sialkot	10	1,755	107	...	...	...	178	8	4	2,052	...	2,052	...	...	...	...	1,600	...	50	...	...	1,650	402	..	2,052	
Gujrat	19	9,529	1,079	..	3,950	...	6,051	289	42	20,940	604	21,544	...	...	...	...	16,367	...	140	...	...	16,507	5,037	...	21,544	
Mianwali	15	270	...	.	400	...	4,758	722	104	6,254	1,471	7,725	...	...	...	...	6,017	...	60	...	...	6,077	1,648	...	7,725	
Hoshiarpur	11	6,755	312	5,895	4,500	141	10,589	1,017	25	29,234	6,267	35,501	14	2,210	...	141	25,561	144	51	3	...	28,124	7,377	...	35,501	
Patiala	10	51	162	832	...	...	1,650	415	6	3,116	4,057	7,173	...	110	...	...	3,995	190	43	...	...	4,338	2,835	...	7,173	
Gurgaon	6	868	87	990	1,000	...	2,619	122	13	5,699	1,108	6,807	91	230	...	...	4,414	...	41	2	...	4,778	2,029	...	6,807	
Montgomery	4	3,343	56	184	...	...	6,667	150	1,147	11,547	4,798	16,345	...	...	...	...	11,320	...	65	...	...	11,385	4,960	...	16,345	
Multan	4	1,639	211	...	...	559	1,616	255	...	4,280	930	5,210	...	...	...	...	4,714	...	24	...	...	4,738	472	...	5,210	
Jhelum	12	8,827	448	...	...	...	1,381	48	...	10,704	...	10,704	...	...	...	...	7,150	...	146	1	...	7,297	3,407	..	10,704	
Attock	7	2,700	326	...	...	...	...	...	...	3,026	...	3,026	..	...	...	...	2,273	...	5	...	...	2,278	748	...	3,026	
Amritsar	3	1,507	112	500	2,000	...	937	62	...	5,118	...	5,118	100	385	...	...	3,807	...	15	...	...	4,307	811	...	5,118	
Gujranwala	1	188	3	...	...	...	500	19	...	710	113	823	...	...	..	...	745	...	...	...	...	745	78	...	823	
Karnal	2	...	7	...	...	...	1,324	250	...	1,581	280	1,861	...	86	...	...	970	35	1	..	...	1,092	769	...	1,861	
Grand Total ...	253	1,55,352	6,343	55,612	48,050 *	5,200 †	1,67,615	16,935	2,004	4,57,111	48,270	5,05,381	6,701	28,323	1,000	141	3,89,050	2,809	1,403	4,511	...	43,393	71,4 3	...	5,05,381	

* Includes Rs. 3,000 of Taccavi and Rs. 45,050 under Act X of 1904.

† From Sir D. M. Hamilton Rs. 4,000 and other local money-lenders Rs. 1,200.

STATEMENT No. II B.—Receipts and Disbursements.

URBAN SOCIETIES.

District.	Names of Societies.	Receipts.											Disbursements.													Remarks.
		Share payments.	Entrance fees.	Deposits by members.	Loans from Government.	Deposits or loans from non-members.	Loans repaid.	Interest received.	Other items.	Total income of year.	Opening balance.	Grand total receipts, including opening balance.	Share capital withdrawn.	Deposits withdrawn.	Loans repaid to Government.	Deposits or loans repaid to non-members.	Loans to members.	Interest paid on loans and deposits.	Dividends paid.	Establishment and contingent charges.	Other items.	Carried to reserve.	Total expenditure.	Closing balance.	Grand total expenditure, including closing balance.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Simla	The Simla Urban Bank...	922	11	695	...	...	6,709	797	225	9,359	181	9,540	770	629	...	...	6,459	...	308	366	934	...	9,466	74	9,540	
Do.	The Monotype Provident Fund.	1,138	38	...	...	523	3,629	171	24	5,523	359	5,882	323	...	...	523	3,904	3	...	6	3	...	4,762	1,120	5,882	
Do.	The Central Brotherhood Urban Bank.	10,000	225	2,000	...	4,625	2,300	252	...	19,402	...	19,402	...	...	...	100	15,300	1	...	162	..	...	15,563	3,839	19,402	
Amritsar ...	The Brotherhood Urban Bank, Salvation Army.	140	40	...	...	1,000	...	...	...	1,180	...	1,180	...	...	...	...	1,100	...	...	52	...	...	1,152	28	1,180	
Lahore	Ahsanul Akhlaq ...	...	21	1,354	...	...	4,022	...	135	5,532	4,293	9,825	...	549	...	...	4,167	...	...	125	...	...	4,841	4,984	9,825	
	Total ...	*12,200*	*335*	*4,049*	...	*6,148*	*16,660*	*1,220*	*384*	*40,996*	*4,833*	*45,829*	*1,093*	*1,178*	...	*623*	*30,930*	*4*	*308*	*717*	*937*	...	*35,784*	*10,045*	*45,829*	

STATEMENT No. III. B.—PROFIT AND LOSS ACCOUNT.

URBAN SOCIETIES.

District.	Names of Societies.	Profit.				Loss.							Net profit or loss.	Remarks.
		Interest earned.	Entrance fees.	Other items.	Total.	Interest paid and due.	Establishment and contingent charges paid and due.	Debts written off.	Carried to reserve.	Dividends.	Other items.	Total.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Simla ..	The Simla Urban Bank ...	655	11	899	1,565	.	366	891	...	308	...	1,565	...	
Do. ...	The Monotype Provident Fund...	181	...	3	184	5	6	...	43	129	1	184	...	
Do. ...	The Central Brotherhood Urban Bank.	279	225	...	504	81	162	...	80	181	...	504	...	
Amritsar ...	The Brotherhood Urban Bank, Salvation Army.	10	40	...	50	...	52	...	...	...	...	52	—2	
Lahore ...	Ahsanul Akhlaq	...	21	414	435	...	435	...	...	...	...	435	...	
	Total ...	1,125	297	1,316	2,738	86	1,021	891	123	618	1	2,740	—2	

STATEMENT No. IV—BALANCE SHEET AS AT 30TH JUNE 1908.

RURAL SOCIETIES.

	District.	Assets.					Liabilities.													Remarks.
		Cash in hand and Savings Bank.	Loans due by members.	Interest due on column 4.	Other items.	Total Assets.	Loans from non-members.	Interest due on column 8.	Loan from Government.	Interest due on loan from Government.	Share Capital.	Deposits by members.	Interest due on members' deposits to members.	Total due to members columns 12 to 14.	Establishment and contingent charges.	Other items.	Reserve fund.	Total Liabilities.	Surplus + Deficit.—	
1		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
59	...	9,756	1,45,125	7,838	...	1,62,719	3,500	...	38,600	...	73,527	25,308	459	99,294	...	...	...	1,41,394	+21,325	
53	...	15,105	1,08,720	4,261	...	1,28,086	2,000	...	30,000	...	47,322	34,774	1,628	83,724	...	...	...	1,15,724	+12,362	
	..	16,009	89,938	3,393	3,256	1,12,596	...	..	8,000	...	71,425	25,587	107	97,119	...	...	...	1,05,119	+7,477	
	... ...	402	1,422	49	...	1,873	...	..	...	...	1,755	...	...	1,755	...	...	...	1,755	+118	
	... ...	5,037	11,546	351	...	16,934	...	...	3,950	...	11,458	50	2	11,510	...	...	...	15,460	+1,474	
	... ...	1,648	5,593	776	...	8,017	...	...	400	...	4,433	147	...	4,580	..	...	...	4,980	+3,037	
	... ...	7,377	28,202	929	11	36,519	...	...	8,500	...	13,539	11,499	540	25,578	...	...	...	34,078	+2,441	
	... ...	2,835	9,474	592	...	12,901	...	...	...	...	160	11,571	556	12,287	...	...	...	12,287	+614	
6	Gurgaon	2,029	2,702	152	...	4,883	...	...	1,000	...	2,927	525	41	3,493	..	...	...	4,493	+390	
4	Montgomery	4,960	13,547	230	...	18,737	...	...	...	...	5,343	11,611	...	16,954	...	...	...	16,954	+1,783	
4	Multan	472	5,501	295	...	6,268	559	18	400	...	4,287	...	...	4,287	...	...	...	5,264	+1,004	
12	Jhelum	3,407	5,769	266	...	9,442	...	...	...	...	8,827	...	...	8,827	...	...	...	8,827	+615	
7	Attock	748	2,273	24	...	3,045	...	...	...	...	2,700	...	...	2,700	...	...	...	2,700	+345	
8	Amritsar	811	3,437	90	...	4,338	..	...	2,000	...	1,570	500	5	2,075	...	...	...	4,075	+263	
1	Gujranwala	78	905	77	...	1,060	...	...	...	...	938	...	...	938	...	...	...	938	+122	
2	Karnal	769	1,292	138	...	2,199	...	...	500	...	...	1,175	30	1,205	...	...	...	1,705	+494	
253	Grand Total ...	71,443	4,35,446	19,461	3,267	5,29,617	*6,059	18	†93,350	...	2,50,211	1,22,747	3,368	...	...	...	...	4,75,753	+53,864	

* Under Act X of 1904 Rs. 90,350 and Taccavi Rs. 3,000.

† [illegible] and from local money-lenders Rs. 1,050.

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In statement

District.	Name of Societies.	Assets.						Liabilities.														Surplus + Deficit —.	Remarks.
		Cash in hand and bank.	Loans due by members.	Loans due be non-members or other Societies.	Interest due an Columns 4 and 5.	Other items.	Total Assets.	Loans from non-members or other Societies.	Interest due on column 9.	Loans from Government.	Interest due to Government.	Total of columns 9 to 13.	Share Capital.	Deposits by members.	Interest due on members' deposits.	Dividends due to members.	Total due to members, columns 14 to 17.	Establishment and contingent charges.	Other items.	Reserve fund.	Total Liabilities.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Simla	The Simla Urban Bank	74	8,622	...	202	...	8,898	...	...	...	...	...	8,750	138	...	10	8,898	...	...	...	8,898	...	
Do.	The Monotype Provident Fund ...	1120	895	...	10	...	2,025	...	..	...	...	...	1,761	...	...	174	1,935	...	...	90	2,025	...	
Do.	The Central Brotherhood Urban Bank.	3,839	13,000	..	27	...	16,866	4,525	70	...	...	4,595	10,000	2,000	10	181	12,191	...	...	80	16,866	...	
Amritsar	The Brotherhood Urban Bank, Salvation Army.	28	1,100	...	10	...	1,138	1,000	...	...	...	1,000	140	..	...	...	140	...	...	...	1,140	—2	
Lahore	Ahsanul Akhlaq	4,984	7,398	...	...	...	12,382	...	...	...	...	...	...	12,070	...	...	12,070	281	31	...	12,382	...	
	Total	10,045	31,015	...	249	...	41,309	5,525	70	...	...	5,595	20,651	14,208	10	365	35,234	281	31	170	41,311	—2	